

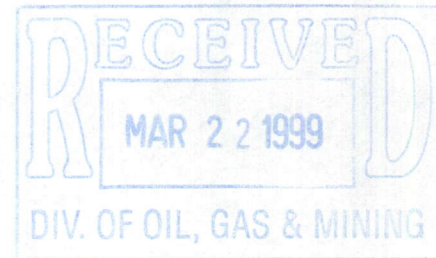
**Clifton Mining Company
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29 April 1998

Mr. Michael Ford
United States Department of the Interior
Bureau of Land Management
Salt Lake District Office
2370 South 2300 West
Salt Lake City, Utah 84119

Re: U-73999 (UT-023)



Dear Mr. Ford:

We are in receipt of your letter dated 21 April 1998 detailing your concerns about water storage and handling in the tailings area at our Gold Hill Millsite.

As was mentioned in my letter to you of 26 August 1998, in ongoing operation, our primary water supply will be recycled water pumped from the tailings areas back to the water storage pond. This will be supplemented only as needed by water from the Cane Springs.

The level of standing water in the tailings ponds will be kept as low as practicable to insure rapid drying during the summer months so that pond walls can be raised as needed, and to minimize the potential of pond wall damage from precipitation during the winter months.

Our metallurgical processes do not require the addition of fresh water to the system. During the winter months when evaporation is low, we can and will operate entirely on recycled water, thus avoiding any buildup of excess mill water that could pose a potential threat to the aquifer.

Thank you for your assistance.

Sincerely,

Robert J. Holladay
Vice President, Operations

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